

Message Text

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PAGE 01 JAKART 01126 251140Z
ACTION L-03

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FM AMEMBASSY JAKARTA
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C O N F I D E N T I A L JAKARTA 1126

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E.O. 11652: GDS
TAGS: PINS, ID
SUBJECT: WAIVER OF INDONESIAN BANK SECRECY LAWS

REF: (A) STATE 14559, (B) JAKARTA 928

1. WE HAVE SERIOUS RESERVATIONS ABOUT REQUESTING WAIVER OF BANK SECRECY PROVISIONS TO GAIN ACCESS TO RECORDS OF INDIVIDUALS AND CORPORATIONS LISTED PARA 4, REF A. OFFICIALS LISTED INCLUDE CABINET MINISTER, DIRECTR GENERAL, THE HEAD OF THE GOVERNMENT TELECOMMUNICATIONS CORPORATION (PERUMTEL) AND THE PRESIDENT OF PERTAMINA'S TELECOMMUNICATIONS SUBSIDIARY (ELNUSA), ALL IMPORTANT FIGURES WITHIN THE INDONESIAN POWER STRUCTURE.

2. BECAUSE THEY HAVE LITTLE KNOWLEDGE OF OUR LEGAL SYSTEM IN GENERAL AND OF INDEPENDENCE OF DOJ ATTORNEYS IN PARTICULAR, INDONESIANS ARE LIKELY TO CONSIDER A REQUEST FOR THE BANK RECORDS OF THESE HIGH-LEVEL OFFICIALS AS TANTAMOUNT TO A USG CHARGE OF ACTUAL MALFEASANCE ON THEIR PART. IN ALL LIKELIHOOD, GOI WOULD PROBABLY IGNORE THE FACT THAT JUSTICE DEPARTMENT INVESTIGATION IS NOT DIRECTED AGAINST IRREGULARITIES ON PART OF INDONESIANS BUT RATHER AGAINST POSSIBLE WRONGDOING BY U.S. COMPANIES.

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3. THE TIMING OF THE DOJ REQUEST GREATLY INCREASES THE RISK OF A SERIOUS MISUNDERSTANDING SINCE IT COMES IN THE POLITICALLY-CHARGED PERIOD LEADING UP TO THE CONVENING OF THE PEOPLE'S CONSULTATIVE ASSEMBLY AND THE ELECTION OF THE PRESIDENT. IN THIS SENSITIVE PERIOD, THE CONFIDENTIALITY OF OUR REQUEST COULD NOT BE GUARANTEED

AND THERE IS A REAL RISK THAT OUR REQUEST MIGHT BE USED BY OPPOSITION ELEMENTS AGAINST THE GOVERNMENT. THIS COULD THEN BE INTERPRETED AS DELIBERATE INTERFERENCE IN INDONESIA'S POLITICAL PROCESSES AT CONSIDERABLE COST TO OUR BILATERAL RELATIONSHIP.

4. BECAUSE OF THESE CONSIDERATIONS WE STRONGLY RECOMMEND AGAINST TRYING TO ASSIST THE DOJ'S INVESTIGATION IN THE MANNER PROPOSED, AT LEAST AT THIS TIME. AFTER THE ELECTION WE WOULD BE WILLING TO HELP IF DOJ CAN PRODUCE COMPELLING ARGUMENT, WHICH WE CAN SHARE WITH THE GOI, THAT THIS INFORMATION WILL MATERIALLY ASSIST AND IS ESSENTIAL FOR PROSECUTION OF WRONGDOING IN DOMSAT CASE. MASTERS

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